



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

House: COM DPA/SE 9-1-0-0

**HB 2204: technical correction; wage board; powers
S/E: taxation; subtraction; virtual currency
Sponsor: Representative Weninger, LD 17
Caucus & COW**

Summary of the Strike-Everything Amendment to HB 2204

Overview

Allows a person to subtract gas fees paid for virtual currency from their gross income, and permits virtual currency and non-fungible tokens (NFTs) received by airdrop to be considered a gift for tax purposes.

History

The Federal [Internal Revenue Code](#) (IRC) allows a person to exclude, as a taxable gift, the first \$10,000 made to any person during the taxable calendar year. For gifts made after 1998, the amount may be increased by a cost-of-living adjustment.

Provisions

1. Allows the value of any virtual currency and NFTs which a person receives by airdrop to be subtracted from that individual's gross income. (Sec. 2)
2. Limits the airdrop income subtraction to the threshold amount prescribed in the IRC. (Sec. 2)
3. Permits a person to subtract gas fees from their gross income if, in calculating the gain or loss of virtual currency sales, that person did not include, in the basis of the virtual currency, any gas fees for the virtual currency. (Sec. 3)
4. Outlines an optional itemized deduction from an individual's gross income for casualty deductions relating to medical expenses and the personal casualty loss of virtual currency and NFTs. (Sec. 4)
5. Defines *airdrop* as the receipt of virtual currency through a means of distribution of virtual currency to the distributed ledger addresses of multiple taxpayers. (Sec. 2)
6. Defines *foreign currency*, *gas fee* and *virtual currency*. (Sec. 3)
7. Makes conforming changes. (Sec. 1, 4)

Amendments

Committee on Commerce

1. Adopted the strike-everything amendment.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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